

## TEN LARGEST VARIANCES BY AGENCY - 2003-05 BIENNIUM - FEDERAL FUNDS APPROPRIATED AND FEDERAL FUNDS ESTIMATED TO BE RECEIVED

	Agency	2003-05 Biennium Federal Funds Appropriated	2003-05 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Division of Emergency Management	\$34,326,254	\$74,675,815	\$40,349,561	The variance is attributable to an estimated increase of \$40.1 million from the 2003-05 biennium appropriation of \$18.7 million for state domestic preparedness equipment support and public assistance. The additional payments relate to homeland security, disaster relief related to damages resulting from severe storms in Cass and Barnes Counties in June 2003, and presidential disaster declarations for the January 2004 snow emergency and March 2004 flooding emergency.
2	Department of Public Instruction	\$194,449,408	\$222,008,183	\$27,558,775	The variance is primarily attributable to higher than estimated allocations for the Title I grants to local educational agencies (\$17.2 million), Title IV 21st century community learning centers (\$4.4 million) and Title II teacher and principal training and recruiting (\$4.3 million), and an increase in Reading First (\$4.7 million) funded by the No Child Left Behind Act.
3	Department of Human Services	\$1,010,836,167	\$1,030,276,350	\$19,440,183	The variance is primarily attributable to an increase in the Medicaid program. The estimated increase of \$23.4 million from the 2003-05 biennium appropriation of \$703 million is due to enhanced federal medical assistance percentage for a portion of the 2003-05 biennium and additional Medicaid expenditures. The variance is also attributable to an estimated increase of \$10.5 million in the low-income home energy assistance program due to a greater demand for heating and weatherization benefits as a result of weather conditions.
4	State Department of Health	\$93,193,771	\$103,707,660	\$10,513,889	The variance is attributable to an estimated increase of \$6.7 million from the 2003-05 biennium appropriation of \$13.4 million for Centers for Disease Control and Prevention investigations and technical assistance and the public health and social services emergency fund due to chemical terrorism funds. The variance is also attributable to an estimated increase of \$1.2 million for epidemiology and lab capacity to expand testing and reporting for the West Nile program, mosquito program, hepatitis, and SARS.
5	Adjutant General	\$20,483,716	\$29,483,716	\$9,000,000	The variance is attributable to an estimated increase of \$9 million from the 2003-05 biennium appropriation of \$14.8 million for Army National Guard contracts to construct three new facilities in Bismarck.

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6	Aeronautics Commission	\$5,339,800	\$764,000	(\$4,575,800)	The variance is primarily attributable to an estimated decrease of \$4 million from the 2003-05 biennium appropriation of \$4 million for the federal airport block grant. The decrease in funds is the result of the grant not being provided to the states for administration.
7	Office of Management and Budget	\$0	\$3,882,752	\$3,882,752	The variance is primarily attributable to the receipt of \$3.8 million for the state domestic preparedness equipment support program as the result of new grant money from the United States Department of Homeland Security awarded to the Division of Emergency Management and passed through to State Radio Communications.
8	Department of Commerce	\$45,016,821	\$41,787,867	(\$3,228,954)	The variance is primarily attributable to an estimated decrease of \$2.1 million from the 2003-05 biennium appropriation of \$9.1 million for low-income home energy assistance and an estimated decrease of \$2.1 million from the 2003-05 biennium appropriation of \$8.3 million for HOME investment partnerships program. Both decreases are due to a reduction in federal funds granted.
9	Upper Great Plains Transportation Institute	\$9,588,809	\$6,978,005	(\$2,610,804)	The variance is attributable to an estimated decrease of \$2.6 million from the 2003-05 biennium appropriation of \$3.4 million for the advanced traffic analysis center for fiscal years 2001 through 2004. The decrease is the result of the funds for fiscal year 2001 still being available, and the following three years funding will be allocated during the 2005-07 biennium after all fiscal year 2001 funding has been spent.
10	Highway Patrol	\$8,037,033	\$5,662,033	(\$2,375,000)	The variance is attributable to an estimated decrease of \$2.4 million from the 2003-05 biennium appropriation of \$8 million for motor carrier assistance, resulting from a decrease in the research passthrough grants to the North Dakota State University for motor carrier safety projects.

## TEN LARGEST VARIANCES BY AGENCY - FEDERAL FUNDS ESTIMATED TO BE RECEIVED FOR THE 2003-05 AND 2005-07 BIENNIUMS

	Agency	2003-05 Biennium Federal Funds Estimated to Be Received	2005-07 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Department of Transportation	\$454,370,000	\$515,750,000	\$61,380,000	The variance is primarily attributable to an estimated \$61.6 million increase from the 2003-05 biennium estimate of \$437.8 million for highway planning and construction. This is based on the most current information available for federal highway funding for the 2005-07 biennium.
2	Department of Human Services	\$1,030,276,350	\$1,006,851,849	(\$23,424,501)	<p>The variance is primarily attributable to changes in the following programs:</p> <ul style="list-style-type: none"> <li>Medical assistance program - An estimated decrease of \$62 million from the 2003-05 estimate of \$726.4 million. The department has not yet finalized its 2005-07 biennium budget request and therefore is reporting only the effect of the change in the federal medical assistance percentage for the 2005-07 biennium on Medicaid. The federal medical assistance percentage change will require an additional \$34 million of general fund match, which if not available, will result in a federal fund reduction of \$62 million.</li> <li>Food stamps - An estimated increase of \$21.6 million from the 2003-05 estimate of \$84.3 million primarily due to an increase in the projected caseload.</li> <li>Low-income home energy assistance program - An estimated increase of \$8.6 million from the 2003-05 estimate of \$28.9 million as a result of historical trends indicating an increase in benefits for heating and weatherization assistance.</li> <li>Rehabilitation services: vocational rehabilitation grants to states - An estimated increase of \$3.7 million from the 2003-05 estimate of \$16.1 million due to the inflationary increase of over 4 percent included in the President's budget request to Congress.</li> </ul>
3	State Water Commission	\$30,016,911	\$7,651,257	(\$22,365,654)	The variance is primarily attributable to an estimated \$15.1 million decrease from the 2003-05 biennium estimate of \$20.1 million in municipal, rural, and industrial water supply funds for the Northwest Area Water Supply Project and an estimated decrease of \$6.93 million from the 2003-05 biennium estimate of \$6.95 million for rural utility services, both due to federal funds no longer being available.
4	Division of Emergency Management	\$74,675,815	\$53,988,000	(\$20,687,815)	The variance is primarily attributable to an estimated \$17.4 million decrease from the 2003-05 biennium estimate of \$20.8 million for public assistance grants due to the closeout of disasters in the 2003-05 biennium.

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5	State Department of Health	\$103,707,660	\$97,127,327	(\$6,580,333)	The variance is primarily attributable to an estimated \$5.2 million decrease from the 2003-05 biennium estimate of \$16 million for Centers for Disease Control and Prevention investigations and technical assistance. The decrease is due to a reduction in funds for the bioterrorism program.
6	Department of Corrections and Rehabilitation	\$14,651,500	\$9,438,742	(\$5,212,758)	The variance is primarily attributable to decreases in the following programs: <ul style="list-style-type: none"> <li>Juvenile accountability incentive block grant - Estimated decrease of \$1.73 million from the 2003-05 biennium estimate of \$1.74 million due to the loss of funding in the 2005-07 biennium.</li> <li>Violent offender incarceration and truth in sentencing - Estimated decrease of \$1.9 million from the 2003-05 biennium estimate of \$1.9 million due to the end of the original grant period.</li> </ul>
7	Upper Great Plains Transportation Institute	\$6,978,005	\$12,148,501	\$5,170,496	The variance is primarily attributable to: <ul style="list-style-type: none"> <li>University transportation centers - Estimated increase of \$2.3 million from the 2003-05 biennium estimate of \$1.7 million to \$4 million. The \$4 million estimate is based on one version of the funding bill in Congress, but the actual amount to be received will not be known until the bill passes Congress next year.</li> <li>Advanced traffic analysis centers - Estimated increase of \$1.8 million as a result of only partial funds being allocated for the 2003-05 biennium, and the remaining funds are allocated for the 2005-07 biennium.</li> </ul>
8	Department of Commerce	\$41,787,867	\$46,724,095	\$4,936,228	The variance is primarily attributable to an estimated \$1.8 million increase from the 2003-05 biennium estimate of \$7 million for the low-income home energy assistance program, an estimated \$1.1 million increase from the 2003-05 biennium estimate of \$6.2 million for the HOME investment partnerships program, and an estimated \$1.1 million increase from the 2003-05 biennium estimate of \$11.4 million for the community development block grants. The increases for these programs are due to an anticipated increase in federal funding awarded.
9	Aeronautics Commission	\$764,000	\$4,945,000	\$4,181,000	The variance is primarily attributable to estimated funding of \$3.5 million for the 2005-07 biennium due to the possibility of the federal airport block grant program being provided to the states for administration.
10	Office of Management and Budget	\$3,882,752	\$0	(\$3,882,752)	The variance is primarily attributable to an estimated \$3.79 million decrease in the state domestic preparedness equipment support program as a result of State Radio Communications becoming a division of the Division of Emergency Management in the 2005-07 biennium, and thus future federal funds for this program will be

		2003-05 Biennium Federal Funds Estimated to Be Received	2005-07 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
	Agency				reported through the Division of Emergency Management instead of through the Office of Management and Budget.